

BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Business Meeting)
)
_____)

CALIFORNIA ENERGY COMMISSION
HEARING ROOM A
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, APRIL 13, 2005

10:06 A.M.

Reported by:
Peter Petty
Contract No. 150-04-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMISSIONERS PRESENT

Jackalyne Pfannenstiel, Acting Chairperson

Arthur Rosenfeld

James D. Boyd

John Geesman

STAFF PRESENT

Scott Matthews, Acting Executive Director

William Chamberlain, Chief Counsel

Song Her, Secretariat

Roger Johnson

Gary Fay

Sue Kateley

Gordon Schremp

Tom Glaviano

Elaine Hebert

Dick Ratliff

Adam Pan

Barbara Byron

Nancy Libonati

Joe O'Hagan

Guido Franco

Caryn Holmes

Mike Jaske

Kevin Kennedy

PUBLIC ADVISER

Nick Bartsch

ALSO PRESENT

Chris Ellison, Attorney
Ellison, Schneider and Harris, LLP

Steven Kelly
Independent Energy Producers Association

Scott Galati, Attorney
representing Roseville Energy Park

Bob Hren
Roseville Energy Park

Gina Grey
Western States Petroleum Association

David A. Smith
bp America, Inc.

Jay McKeeman
California Independent Oil Marketers Association

Ronald M. Van De Pol
Van De Pol Enterprises, Inc.

Craig Lease
L&L Suppliers
Stockton Roofing

Gregory S.G. Klatt, Attorney
Douglass and Liddell
representing APS Energy

Greggory L. Wheatland, Attorney
Ellison, Schneider and Harris, LLP

Mona Tierney
Constellation NewEnergy

Jennifer Chamberlin
Strategic Energy

Laura Genao
Southern California Edison Company

ALSO PRESENT

Christopher J. Warner, Attorney
Pacific Gas and Electric Company

Joseph Kloberdanz
San Diego Gas and Electric
Semptra Energy Utilities

Stuart Hemphill
Southern California Edison Company

Kevin Woodruff
Woodruff Expert Services

Randy Howard
Los Angeles Department of Water and Power
(via teleconference)

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1 P R O C E E D I N G S

2 10:06 a.m.

3 ACTING CHAIRPERSON PFANNENSTIEL: The
4 meeting will come to order. Pledge, Commissioner
5 Geesman.

6 (Whereupon, the Pledge of Allegiance was
7 recited in unison.)

8 ACTING CHAIRPERSON PFANNENSTIEL: Good
9 morning. Before we start the business meeting I'd
10 like to make a change to the order of the agenda.

11 We have items 12 through 17, all of
12 which deal with a common subject, which is the
13 appeal of the confidentiality rulings. And I'd
14 like to take them all as a group after we've gone
15 through the remainder of the agenda and the
16 reports. So we'll go all through everything else
17 on the business meeting and then take up numbers
18 12 through 17.

19 So with that, we'll then start with item
20 number 1 on the agenda. California Coastal
21 Commission. Possible approval of a memorandum of
22 agreement between the California Coastal
23 Commission and the California Energy Commission to
24 insure timely and effective coordination during
25 the Energy Commission's review of an application ...

1 ... COMMISSIONER BOYD: Excuse me, but did
2 we --

3 COMMISSIONER GEESMAN: I think we
4 extracted a commitment from --

5 ACTING CHAIRPERSON PFANNENSTIEL: Yes.

6 COMMISSIONER GEESMAN: -- the Executive
7 Director to report back to us. And you and the
8 Chair have made clear that that's to be in six
9 months.

10 COMMISSIONER BOYD: Good.

11 ACTING CHAIRPERSON PFANNENSTIEL: And
12 we'll confirm that. Mr. Matthews, that's --

13 ACTING EXECUTIVE DIRECTOR MATTHEWS:
14 Yes.

15 ACTING CHAIRPERSON PFANNENSTIEL: --
16 understood? Thank you.

17 MS. KATELEY: Thank you.

18 ACTING CHAIRPERSON PFANNENSTIEL: Item
19 4, National Coatings Corporation, et al, and Roof
20 Coating Manufacturers Association. Possible
21 approval of petition to conduct a rulemaking to
22 change referenced test method procedures for
23 liquid-applied cool roof coatings in the 2005
24 building energy efficiency standards. Ms. Hebert.

25 MS. HEBERT: Good morning, Commissioners

1 and audience members. I am Elaine Hebert from the
2 building and appliances office of the energy
3 efficiency and demand analysis division. And I'm
4 here before you today because the Energy
5 Commission received a petition to make a change to
6 the 2005 building energy efficiency standards
7 which were adopted by this Commission in November
8 of 2003, and which will take effect in October of
9 this year.

10 It would likely be a small change to
11 language, but it is still substantive, thus
12 invoking a possible rulemaking.

13 The item has to do with performance
14 requirements, specifically the test methods for
15 cool roof coatings to prove that they hold up at
16 low temperatures.

17 The petitioners, a consortium of 24 roof
18 coating manufacturers led by National Coatings
19 Corporation of Camarillo, California, believe the
20 one test that we referenced restricts the list of
21 qualifying cool roof coatings in such a way as to
22 not serve the public interest.

23 We've had a number of phone and email
24 conversations with several of the parties
25 representing the petitioners. The argument seems

1 sound.

2 The petitioners offer an additional test
3 method that they say is an industry standard and
4 removes an undue burden of testing for their
5 products.

6 Staff also received a letter from the
7 Roof Coating Manufacturers Association on the very
8 same item though they are offering a different
9 solution, that is to remove the performance
10 requirements for these roof coatings.

11 Staff wants to hear all the argument as
12 we are, of course, interested in best serving the
13 public interest; and we recommend approving the
14 petition to open a rulemaking on this very
15 specific item.

16 ACTING CHAIRPERSON PFANNENSTIEL: Thank
17 you. Is there anybody here to speak to this item?
18 Thank you.

19 Do we have a motion?

20 COMMISSIONER ROSENFELD: I move item 4.

21 MR. RATLIFF: Commissioners, if I may, I
22 think --

23 ACTING CHAIRPERSON PFANNENSTIEL: Yes.

24 MR. RATLIFF: -- your action is
25 basically twofold. You will be granting --

1 adopting a motion to grant the petition, but also
2 to order the staff adopting an order instituting
3 rulemaking directing the staff to initiate a
4 rulemaking.

5 ACTING CHAIRPERSON PFANNENSTIEL: Thank
6 you for the clarification. And was that your
7 motion, Commissioner Rosenfeld?

8 COMMISSIONER ROSENFELD: Yes.

9 COMMISSIONER GEESMAN: Second.

10 ACTING CHAIRPERSON PFANNENSTIEL: Moved
11 and seconded.

12 All in favor?

13 (Ayes.)

14 ACTING CHAIRPERSON PFANNENSTIEL:
15 Opposed? Thank you. Carried four to nothing.

16 MS. HEBERT: Thank you.

17 ACTING CHAIRPERSON PFANNENSTIEL: Thank
18 you. Number 5, Net System Power Report. Possible
19 approval of the 2004 net system power report for
20 use in the power content label required by SB-
21 1305.

22 MR. PAN: Thank you, Commissioners. My
23 name's Adam Pan and I'm staff at the electricity
24 analysis office. We are presenting this as
25 required by the legislation, Senate Bill 1305 of ...

1 ... believe in this case it's five years. We're
2 obligated, I think it's next year, to do a look-
3 forward in five years for a more strategic look.
4 And so if we could combine that look with where
5 PIER is going and what we want to do for the
6 second half of PIER basically, that would be a
7 logical timeframe to have that in.

8 And hopefully we'll get some input into
9 what that language says about that.

10 COMMISSIONER BOYD: Thank you.

11 ACTING CHAIRPERSON PFANNENSTIEL: Thank
12 you. Leg Director's report. No, I don't see
13 Cece. Public Adviser report.

14 MR. BARTSCH: Nothing new to report,
15 Madam Chair.

16 ACTING CHAIRPERSON PFANNENSTIEL: Thank
17 you. Public comment. I see that we have one
18 request for public comment from a Craig Lease.
19 Mr. Lease.

20 MR. LEASE: Yes, I'm with L&L Suppliers.
21 We manufacture roof coatings in Stockton,
22 California. My family's company is Stockton
23 Roofing Company, incorporated since 1912, the
24 third oldest roofing company in California.

25 We have been doing roof coating since

1 1938. And cool roof coating, the white coatings,
2 starting in 1960.

3 I believe we're America's oldest and
4 most experienced roof coating contractor. And I
5 am -- well, I'm the formulator of our white cement
6 products, and I'm also the spray foreman. And I
7 do get some on the roof.

8 (Laughter.)

9 MR. LEASE: Anyway, when I saw that a
10 group of 23 manufacturers were asking to -- or
11 22 -- were asking to change the rules on low
12 temperature flexibility I disagree that you should
13 change that.

14 First of all, low temperature
15 flexibility and flexibility do not even go toward
16 my product, which is a white cement coating. We
17 do it on capsheet roofing and tar-and-gravel
18 roofs. So the tar-and-gravel roofs are a quarter
19 inch deep with rock, and we fill in with cement,
20 making white concrete.

21 Our oldest roof has lasted 43 years.
22 And I think my dad was the only contractor who
23 ever tried to make anything last longer.

24 So consequently I was listed as an
25 exception to the flexibility rules. On these

1 flexibility, the low-temperature flexibility rule
2 is very important. If you do decide to change to
3 what they're recommending, the one group of 22
4 manufacturers, that you go to essentially a bend
5 test at zero degrees.

6 There's also a bend test at minus 30
7 degrees. And I would definitely ask you guys to
8 consider if you're going to change it to a zero,
9 then change it to a minus 30, also, inclusive. As
10 this will eliminate problem products that can
11 affect performance.

12 We were in the January 10, 2002, they
13 started all the cool roof program with Ray Darby
14 running it. I've since worked with Ray Darby,
15 Virginia Lew, Mike Sloss, Daryl Mills, Bob
16 Therkelsen, Bill Pennington, Bryan Alcorn, Charles
17 Eley, Audrey of Eley, Energy Solutions, Melinda
18 Rogers, Ray Treathaway, and, well, I won't say
19 that, Dr. Lisa Gartland.

20 I have had nothing but problems since
21 January 10, 2004 -- excuse me, 2001, when the
22 program started. And I need somebody to help out
23 here. My testing requirements are that they're
24 incorrect; they don't exist. ASTM that my white
25 cement coating was supposed to pass, which I just

1 found out last week by calling the testing lab in
2 Florida. I said, sir, I'm supposed to pass ASTM
3 test D822, which essentially is a 2000 hour
4 weatherization test where it's accelerated
5 weathering to tell how your coating works and how
6 it lasts, the durability.

7 Well, I'm informed that that is the
8 procedure to run the weatherization machine. So
9 it's not a test at all. It's how you turn the
10 machine on and how you operate the machine.

11 Emails about this thick. And as of now
12 I'm listed as the exception to the flexible
13 coatings. And I don't have any test to pass.
14 That would be nice, too.

15 We've been doing this for 43 years.
16 Over 30 million square feet. And no warranties,
17 no problems. And I'll give you guys a copy of
18 this, because I don't care to read it, of Dr. Lisa
19 Gartland's assessment of myself, my family, and
20 our products, which is horrible.

21 ACTING CHAIRPERSON PFANNENSTIEL: Thank
22 you for your comments, Mr. Lease. You understand
23 that we did open --

24 MR. LEASE: Yes, I understand.

25 ACTING CHAIRPERSON PFANNENSTIEL: --

1 authorize staff to open a rulemaking, and I hope
2 you can participate in that.

3 MR. LEASE: Yeah, that'd be great.

4 ACTING CHAIRPERSON PFANNENSTIEL: Thank
5 you.

6 MR. LEASE: Who should I get ahold of
7 now?

8 ACTING CHAIRPERSON PFANNENSTIEL: To the
9 Executive Director.

10 MR. LEASE: Okay, thank you.

11 ACTING CHAIRPERSON PFANNENSTIEL: We
12 have a ways to go yet today, miles to go before we
13 sleep. So we have items 12 through 18 remaining.

14 I'm going to suggest that we take about
15 a half-hour break and come back, I would say
16 looking at that clock, at least, 12:45, and
17 reconvene the meeting.

18 With that we will adjourn for half an
19 hour.

20 Whereupon, at 12:10 p.m., the business
21 meeting was adjourned, to reconvene at
22 12:45 p.m., this same day.)

23 --o0o--

24

25

CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter,
do hereby certify that I am a disinterested person
herein; that I recorded the foregoing California
Energy Commission Business Meeting; that it was
thereafter transcribed into typewriting.

I further certify that I am not of
counsel or attorney for any of the parties to said
meeting, nor in any way interested in outcome of
said meeting.

IN WITNESS WHEREOF, I have hereunto set
my hand this 30th day of April. 2005.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345□